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New Compact Communities: Detached Condominium Projects in Austin, Texas

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New Compact Communities: Detached Condominium Projects in Austin, Texas

by

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Dedication

This report is dedicated to all the people who helped me reach this important milestone in my life. I am particularly thankful for my parents for always providing me with the resources and support I have needed to succeed.

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Abstract

New Compact Communities: Detached Condominium Projects in Austin, Texas

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Abstract: As demand for housing in the Austin region has increased, vacant development sites suitable for single-family home communities have become more expensive. The rise in land cost has contributed to higher sales prices for single-family homes in the Austin region. In order to deliver new housing units at a market acceptable price, production homebuilders have shifted to building site-planned communities known as "detached condominiums." In these communities, homeowners own the housing unit, but only a fractional share of the land on which the unit sits. This arrangement allows the housing units to be built on smaller lots versus traditional single-family zoning districts in Austin. The following report seeks to explain why detached condominiums have emerged as a popular product type in the Austin region. Through reviewing the historical context of the product type, conducting case studies, and calculating mortgage payment estimates, this project concludes that detached condominiums have emerged to produce a denser housing product in typically suburban areas. This development type also produces lower cost homes which are appropriately priced for median-income earners in the Austin MSA.

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SECTION I: INTRODUCTION AND KEY BACKGROUND INFORMATION

PROJECT INTRODUCTION

For many years, Austin was viewed as having an "affordable" housing market – a haven for those seeking a path to home ownership coupled with a high-quality of life. Because of the favorable economic conditions, the single-family home market boomed with demand from potential homebuyers. Throughout the mid-2000's, many new home subdivisions were built on the edge of the Austin Metropolitan Statistical Area (MSA), both within the City of Austin and in surrounding cities.

Many of the single-family home communities built in the urban fringe were developed by national production homebuilders such as KB Home, DR Horton, and Lennar. They followed typical suburban development patterns which included large homes, large home sites, wide streets, multiple cul-de-sacs, and limited connectivity to major roads. As the demand for housing increased, acquiring vacant development sites became more expensive and contributed to the rise of sales prices for single-family housing units.

The increase in housing demand in combination with rising land prices led to the emergence of the detached condominium housing product in the Austin MSA. This development type is characterized by narrower streets, smaller home sites, and a more efficient use of land. Since 2011, nineteen detached condominium communities have been developed in the South Austin market area (defined later in the report) representing an acceptance for the product in the region. As such, the detached condominium community is a development type that should be further examined in order to understand their role in fast growing regions such as Austin.

RESEARCH QUESTION

The purpose of this report is to answer the following research question: Why have detached condominiums emerged as a popular product type in the Austin area?

REPORT OUTLINE

This report is organized into five sections. The current section *(Introduction and Key Background Information)* provides the groundwork for the report. This section provides key reasons for why this research is relevant to the field of urban planning, along with key housing market statistics that are instrumental in understanding the Austin housing market in its current state. The following section, *Literature and Related Topics* dives deeper into the emergence of detached condominiums and provides a brief historical context of the product type. Due to the limited amount of literature available on the subject, a number of related topics were also discussed in the second section. Section III, *Austin Case Study* focuses on the South Austin market area in Austin, Texas where detached condominiums have become a popular housing product. Additionally, this section contains a closer examination of two specific detached condominium communities where the context of the built environment has been documented through photography. Section IV *(Financial Analysis)* explores the affordability of the detached condominium product type from the case study. Finally, Section V (*Conclusion*) concludes the report offering key takeaways, implications, and impressions of the development of detached condominium communities.

METHODOLOGY

Four distinct methodologies are employed throughout this report. The first method is to collect and analyze housing market data for the Austin MSA. In Section II of this report, a literature review is included, examining articles that are related to the broader subject of

detached housing. The third method employed in this report is a case study. The two case studies were developed through site visits and photographic documentation of the physical context present in the communities. The final methodology used in Section IV of this report is the creation of simple financial models related to housing cost and affordability.

HOUSING MARKET CONDITIONS OVERVIEW

Before discussing detached condominiums as an emerging product type, it is first essential to present a general overview of the current housing market for the Austin Metropolitan Statistical Area (MSA). In recent years, data suggests that the production of housing in the metropolitan region has lagged behind demand, suggesting a region wide housing shortage. In addition, the average sales price for homes in the region has increased significantly. With the Austin unemployment rate for May 2018 at 2.8%[1], the state of the Austin economy appears very healthy, and with a healthy economy, we can expect that many of the general real estate trends in the Austin MSA will continue.

Austin Housing Market Demand and Production

In order to calculate the general level of demand for new housing in the Austin MSA, I constructed a basic housing demand model using data provided by the Texas A&M Real Estate Center and the United States Census Bureau. The model relies on the MSA population reported by the US Census Bureau and the average household size as reported in the 2010 Census, the most recent decennial census administered. The estimated yearly housing demand for the MSA is calculated by dividing the yearly population growth by the average household size (2.58). The resulting amount is the number of additional homes that would need to be produced in order to

[1] https://www.bls.gov/eag/eag.tx_austin_msa.htm

satisfy the population growth. In addition, the model has a column titled "deficit/surplus" that compares the demand to the number of building permits that were issued in the MSA.

In five of the eight years between the 2010 and 2017 period, the number of building permits issued was significantly lower than the demand, suggesting a significant underproduction of housing. The largest deficit was witnessed in 2011 when the number of building permits fell short of demand by 14,692 units. Only in 2013 and 2017 did the number of building permits exceed the demand by a small margin. In the most recent year with available data (2017), the number of building permits issued exceeded demand by 5,278 units. Through the entire span between 2010 and 2017, the Austin MSA witnessed a housing supply deficit of 17,327 units. This significant deficit is the likely cause of the rapid increase in the price for housing in the region. Table (1) below lists the deficit or surplus for each year between 2010 and 2017.

Table (1): Housing Demand from Population Growth in the Austin MSA

Housing Demand from Population Growth
Austin MSA

Year	Population	Real Population Growth	Average Household Size*	Demand	Total Building Permits Issued	Deficit / Surplus
2010	1,716,289	33,951	2.58	13,159	8,786	(4,373)
2011	1,780,610	64,321	2.58	24,931	10,239	(14,692)
2012	1,834,566	53,956	2.58	20,913	19,595	(1,318)
2013	1,883,528	48,962	2.58	18,978	20,865	1,887
2014	1,942,255	58,727	2.58	22,762	20,276	(2,486)
2015	2,000,784	58,529	2.58	22,686	22,370	(316)
2016	2,060,558	59,774	2.58	23,168	21,861	(1,307)
2017	2,115,827	55,269	2.58	21,422	26,700	5,278
Totals (2010-2017)		**399,538**		**168,019**	**150,692**	**(17,327)**

Source: Texas A&M Real Estate Center, United States Census Bureau, May 2018
*Average household size based on 2010 Census for the Austin-Round Rock MSA

Rising Housing Prices in Austin

Along with strong job growth, a healthy economy, and a rising demand for housing, the average sales price for homes in the Austin MSA has followed an upward trajectory over the last decade. Between 2007 and 2009, during the global financial crisis, the average sales price fell 3.80% from $246,038 in 2007 to $236,688 in 2009. That was the last decline in the average sales price, which increased every year since 2009. In 2014, the average sales price exceeded the $300,000 mark for the first time, and since that time it has increased at an average rate of 6.08% per year. In 2017, the average sales price for homes in the Austin MSA reached $366,861, a 49.1% increase in a ten-year period.

Further proof of rising home prices can be seen in the price distribution of Austin home sales. In 2011, the largest share (21.6%) of home sales occurred in the $100,000 to $149,999 price range followed by 20.9% of homes in the $150,000 to $199,999 price range. In sharp contrast to 2011, the largest share of home sales in 2017 (21.5%) fell into the range between $300,000 and $399,999. For comparison, only 11% of home sales that occurred in 2011 fell in that price range. The price distribution shown in Table (2) represents the rising cost of for-sale housing in the Austin MSA.

In addition to the increase in average sales price, the total number of housing sales is also on the rise. In 2007, the number of units that sold in the MSA reached 27,571. Between 2008 and 2010, that number decreased each year, falling to 19,547 units in 2010. Since 2010, the total number of home sales has increased every year. In 2017, the total number of units sold reached 33,941, the highest number recorded in recent years. Figure (1) and Table (3) on the following pages show the historical home sales volume and pricing from 2007 to 2017.

Table (2): Price Distribution of Home Sales in the Austin MSA

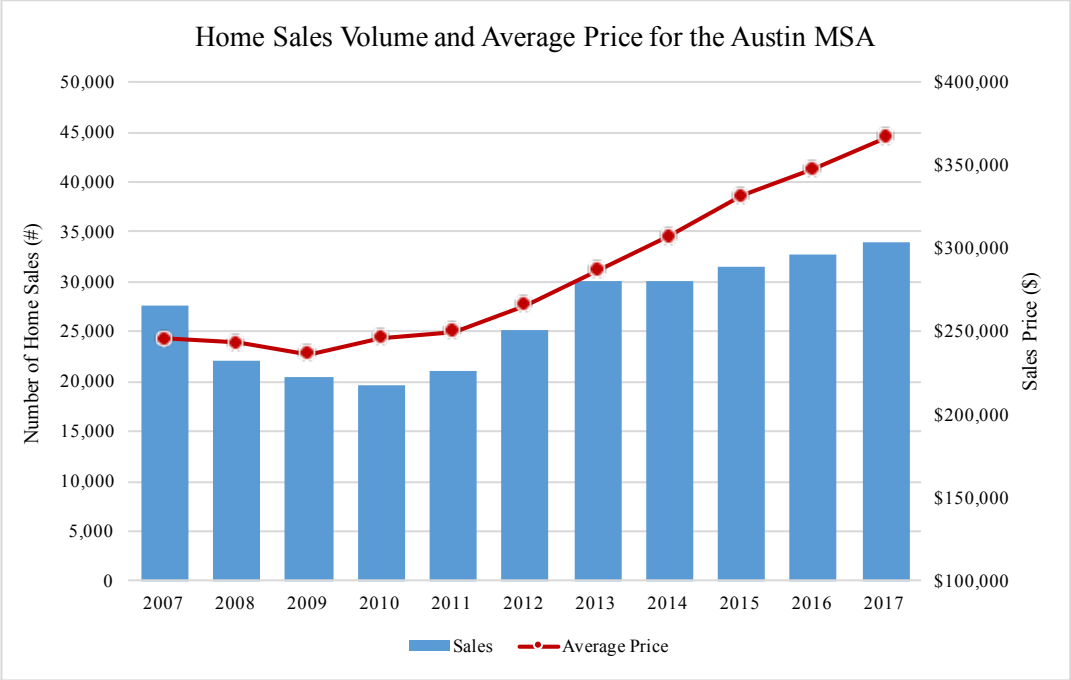
Price Distribution of Home Sales

Austin MSA

Price Range	2011	2012	2013	2014	2015	2016	2017
$0 - $69,999	4.5	2.9	1.7	0.9	0.6	0.4	0.2
$70,000 - $99,999	6.5	5.3	3.3	1.9	1.1	0.8	0.5
$100,000 - $149,999	21.6	19.5	15.9	11	6.5	3.7	2.5
$150,000 - $199,999	20.9	21.3	22.2	22.1	19.5	15.3	11.2
$200,000 - $249,999	13	13.9	15.2	17	18.6	19.5	20.6
$250,000 - $299,999	10	10.3	10.9	12.2	14.3	15.7	16.5
$300,000 - $399,999	11	11.9	13.6	15.5	17.4	19.8	21.5
$400,000 - $499,999	5.1	6.3	7.5	8.2	9.2	10.4	11.3
$500,000 - $749,999	4.6	5.5	6	7.5	8.4	9.6	10.3
$750,000 - $999,999	1.5	1.6	1.8	1.8	2.2	2.6	2.7
$1,000,000 +	1.3	1.4	1.8	1.9	2.2	2.2	2.6

Source: Texas A&M Real Estate Center, Housing Activity for Austin-Round Rock, May 2018

Figure (1): Home Sales Volume and Average Sales Price for the Austin MSA



Source: Texas A&M Real Estate Center, May 2018

Table (3): Home Sales Volume and Average Sales Price for the Austin MSA

Home Sales Volume and Average Price

Austin MSA

Year	Sales	Average Price	Median Price
2007	27,571	$246,038	$183,292
2008	22,068	$243,337	$187,319
2009	20,407	$236,688	$185,150
2010	19,547	$246,561	$189,356
2011	20,999	$250,167	$189,500
2012	25,209	$266,100	$202,600
2013	29,971	$287,087	$220,000
2014	30,164	$307,362	$240,000
2015	31,435	$331,612	$260,000
2016	32,711	$347,695	$280,000
2017	33,942	$366,717	$295,000

Source: Texas A&M Real Estate Center, May 2018

DEFINITION OF A CONDOMINIUM AND DETACHED CONDOMINIUM

Although the term “condominium” is often used to describe the physical form of an attached housing unit, it is actually a form of ownership. Under Texas State Law[2], a condominium is defined as written below.

> "Condominium" means a form of real property with portions of the real property designated for separate ownership or occupancy, and the remainder of the real property designated for common ownership or occupancy solely by the owners of those portions. Real property is a condominium only if one or more of the common elements are directly owned in undivided interests by the unit owners. Real property is not a condominium if all of the common elements are owned by a legal entity separate from the unit owners, such as a corporation, even if the separate legal entity is owned by the unit owners.

The following definition is provided by The Federal National Mortgage Association[3], and is specifically tailored to detached condominiums.

> A detached condo is defined as any condo unit that is completely detached from other condo units in the project. The unit may share no adjoining walls, ceilings, floors, or other attached architectural elements (such as breezeways or garages) with any neighboring unit. A detached condo unit may be in a project consisting solely of detached units or in a development containing a mixture of attached and detached units. Site condos in which the unit owner owns the detached condo unit and the land upon which the unit is built are a type of detached condo.

[2] Property Code Chapter 82, Texas Uniform Condominium Act

[3] Also known as Fannie Mae

In simple terms, a detached condominium is a freestanding dwelling unit where the owner has exclusive use of the structure and the land upon which the unit sits. However, in most cases, the parcels of land on which the units sit are fractionally owned in a condominium regime. For all practical purposes a detached condominium looks, feels, and acts like a traditional single-family home. In some cases, these units are two-stories, have three or four bedrooms, and one or two car garages. In almost all cases, these units have private entries and private front and small backyards.

Through the use of a condominium regime, detached condominium communities are able to be developed in a more compact manner versus a traditional, non-condominium single-family home subdivisions. In the City of Austin, zoning regulation allows for detached condominiums to be built with a minimum site area requirement of 3,600 square feet whereas a traditional subdivision will require a home site to be at least 5,750 square feet (City of Austin Zoning Guide).

The reduced site requirements for detached condominiums allow for denser development to occur on parcels of land with the appropriate zoning. Because these communities are becoming more prevalent in the Austin area, it is important to understand their physical form and financial characteristics, which will be discussed in later sections of this report. The next section (Section II) will explore historical context and related topics to further the discussion of the detached condominium product type.

SECTION II: LITERATURE REVIEW AND RELATED TOPICS

Given the limited amount of literature available on detached condominiums, I have reviewed literature on subjects that are closely related to understanding detached condominiums as a housing product type. This section provides a combination of historical context along with contemporary literature on related topics.

HISTORY OF SUBURBANIZATION IN THE UNITED STATES AND SPRAWL

The Post War Building Boom

Although suburbanization in the United States was already taking place, it was not until the conclusion of World War II when the practice became more widespread. In the book, *Crabgrass Frontier: The Suburbanization of the United States*, Kenneth T. Jackson discusses key events which led to an increased production of suburban housing communities beginning in the mid-1940's. The factors he discusses include delayed housing production during the Great Depression and World War II, changing demographics nationwide, and housing programs established by the United States Federal Government.

The underproduction of housing during the 1930's and early 1940's led to a significant shortfall in availability when the war ended. During the "sixteen years of depression and war, the residential construction industry had been dormant, with new home starts averaging less than 100,000 per year" (Jackson 1985, p. 232). With servicemen returning from the war, the demand for housing increased, but there was a general lack of housing supply due to underproduction in the prior decade. This issue was exacerbated by the changing demographics of families in the United States. In the early 1940's, prior to the end of the war, the marriage and birth rates increased substantially (Jackson 1985, p. 232). This led to an even higher demand for single-

family homes with more space once the was over. Additionally, the "government and industry both played up the suburban house to the families of absent servicemen" (Jackson 1985, p. 232).

Another factor which increased demand for suburban homes in the 1940's was the establishment of the Veterans Administration mortgage program. "This law gave official endorsement and support to the view that 16 million GI's of World War II should return to civilian life with a home of their own" (Jackson 1985, p. 233). Through the establishment of this program, servicemen were able to qualify for mortgages, which were guaranteed by the Federal Government.

In short, at the end of the war there was a huge demand from larger families seeking new homes. The result of the three factors discussed above was a tremendous increase in single-family home production and the emergence of vast suburban housing communities such as Levittown. A remarkable statistic in Jackson's book is that "single-family housing starts spurted from only 114,000 in 1944, to 937,000 in 1946, to 1,183,000 in 1948, and to 1,692,000 in 1950" (Jackson 1985, p. 233). These homes were largely built in suburban areas where vacant developable land was plentiful. Additionally, home production in the United States became a more consolidated industry, eventually leading to "70 percent of new homes … constructed by 10 percent of the firms" (Jackson 1985, p. 233).

"By 1955 subdivisions accounted for more than three-quarters of all new housing in metropolitan areas" (Jackson 1985, p. 233). One well-known example of a post-war subdivision is Levittown, a community located on Long Island in the State of New York. Construction on the community commenced in 1946 and was led by Abraham Levitt and his sons. At buildout, the community contained more than 17,400 homes (Jackson 1985, p. 235). Given that the subdivision was mass produced in an assembly line fashion, the homes were similarly sized, had

common architectural features, and were affordable for many first time homebuyers (Jackson 1985).

As Jackson explains in his book, subdivisions that were built in the post-war era shared five distinct characteristics: peripheral location, low density, architectural similarity, easy availability, and economic and racial homogeneity (Jackson 1985, p. 238-241). The reason I chose to include a brief section on the history of post-war housing is because of its lingering influence on today's communities.

The five characteristics Jackson lists can easily be found in housing developments currently under construction, and certainly for many built during the 1990's and 2000's. As will be discussed later in this report, detached condominium communities share some similar characteristics, but also have the ability to attain higher densities to combat the typical sprawl pattern of post-war suburban communities.

Issues of Sprawl

"Sprawl is development that (1) occurs in suburbs or at the fringe of a city, and/or (2) is oriented toward cars to the extent that car ownership is a necessity for most households" (Lewyn 2017, p. 2). Using this definition, a large portion of the post-war suburban neighborhoods fit into this context. Additional literature on the subject suggests that this development type has several negative externalities. In the book, *Government Intervention and Suburban Sprawl: The Case for Market Urbanism*, Michael Lewyn identifies negative externalities of suburban sprawl from four key perspectives including environmental, social equity, public health, and conservative/libertarian (Lewyn 2017, p. 4).

The environmental perspective is relatively straightforward and commonly presented. The main driver behind the argument is that low-density and segregated development encourages

people to use automobiles which emit greenhouse gasses, and negatively affect air quality. Additional environmental externalities include the negative impacts caused by increased storm water runoff and diminished water quality (Lewyn 2017, p. 4-9).

As presented by Michael Lewyn, issues of social equity stem from two key problems. The first is the lack of public transportation available in suburban areas, and the second occurs when cities and suburbs are located in independent municipalities. In regard to transportation, the argument against sprawl is that non-drivers have a more difficult time accessing employment opportunities, and the costs associated with automobiles is quite high. The second issue is caused by the differences in tax bases across municipalities. In some cases, central cities suffer higher taxes and have lower quality public services due to the separated tax bases of suburban and urban communities (Lewyn 2017, p. 9-14).

Public health issues are also heavily tied to the use of automobiles in areas with suburban sprawl. When development sprawls, residents are less likely to walk because it is more practical to use an automobile. This leads to an increase in the incidence of health related issues (Lewyn 2017, p. 14-19). Furthermore, with sprawl catering to the automobile, the possibility of death by automobile increases for pedestrians and drivers (Lewyn 2017, p. 16-19).

The final perspective Lewyn offers is that of the conservative or libertarian. Lewyn suggests that sprawl limits consumer choice by favoring the development of automobile infrastructure linking suburbs to central cities rather than public transportation. In sprawling communities, residents have fewer choices in how to move around (Lewyn 2017, p. 21). Additionally, and perhaps most compelling is that sprawl makes government more expensive. When communities grow in a sprawling pattern, the local government commits to pay for new infrastructure such as roads, water, wastewater, and sewer lines. In a sprawl pattern, the linkages

will require longer lengths and ultimately lead to higher costs of providing services and maintaining the infrastructure (Lewyn 2017, p. 22).

THE EVOLUTION TOWARDS DETACHED CONDOMINIUMS

Low-Rise Clustered Housing Developments

The recent emergence of high-density low-rise housing communities in Austin is not occurring without historical precedent in the United States. As Roger Montgomery discuses in his 1977 article, *High Density, Low-Rise Housing and Changes in the American Housing Economy*, this development pattern emerged in the era directly following the post-war suburban growth period. This development pattern was driven by the emergence of PUD (planned unit development) zoning and the adoption of condominium legislation.

Prior to 1963, the majority of the home product delivered in the United States conformed to the style of a standard detached single-family unit (Montgomery 1977, p. 83). However, between 1963 and 1973, Montgomery explains that housing market conditions shifted to favor smaller units "at locations that both required and permitted higher densities" (Montgomery 1977, p. 86). The shifting market conditions were caused by an increase in land cost and heightened demand from smaller "nonnuclear households" (Montgomery 1977, p. 86). These conditions fueled the growth of the PUD.

The eventual acceptance of PUD's was an outcome sought by homebuilding organizations based in Washington D.C. "Together the NAHB [National Association of Homebuilders] and ULI [Urban Land Institute] began the Land Use Research Program dedicated to overcoming the ticky-tack sprawl stereotype and replacing it with a better stereotype" (Montgomery 1977, p. 90). Part of the research emerging from the Land Use Research Program included advocating for "high density, low-rise dwelling designs" (Montgomery 1977, p. 90).

The concept became known as “clustering,” where homes in site-planned communities were built in dense pockets surrounded by common infrastructure such as streets, parking lots, and other common areas. This concept was made possible by PUD zoning, allowing developers to produce comprehensively site-planned communities versus subdivisions consisting of traditional rectangular lots with little regard for the public realm.

Detached condominiums are developed in a similar site-planned fashion. In the City of Austin, detached condominium communities are developed as a single site-planned community. This requires the developer to submit a site plan for the entire community, as shown in Illustration (1) and Illustration (10) later in the report.

PUBLIC VS. PRIVATE INFRASTRUCTURE

“The Small Town Ponzi Scheme”

Building and maintaining infrastructure is a significant municipal expenditure. In some cases, cities charge real estate developers impact fees in order to help cover the upfront of new development. However, these fees rarely cover the long term maintenance of the systems. In the article *The Small Town Ponzi Scheme* written by Charles Marohn and published on the Strong Towns blog, the author likens municipal infrastructure systems to Ponzi schemes. An excerpt from the article is included below.

> Enter the solution: “invest for growth.” The idea is if the city can put in new infrastructure and grow, then it can use the revenue from that growth to cover the costs of maintaining the original system. This is where the common notion that a city needs to "grow or die" comes from. Cities grow their infrastructure systems, induce new tax base and investment and in the **short term** the entire community is better off without overtaxing the existing residents (Marohn 2009).

In the short term, the process works, allowing the city to capture new development and support the maintenance of older systems. However, in the long run, the argument is made that the city will have to fund infrastructure improvement projects directly or continue to find new users to fund deferred maintenance (Marohn 2009). By continuing to expand infrastructure systems, many cities are only increasing their liability without securing funding for long term maintenance. This causes a cycle of inefficiency that has the possibility of leaving cities with crippled infrastructure systems.

Also in the article, Marohn suggests three avenues for cities to avoid running their infrastructure system as a Ponzi scheme. Those three avenues include adjusting budgets to include realistic funding for the replacement of infrastructure systems, allowing the extension of utility systems only where it can be justified through cost benefit analysis, and third, by increasing development where there is existing infrastructure (Marohn 2009).

The subject discussed in this article is particularly important in metropolitan areas that have significant patterns of suburban growth, such as the Austin MSA. Much of the suburban development includes large-lot single-family homes and will require extensive infrastructure expansions and long term maintenance. Detached condominiums have a smaller footprint and fall under the third solution to this issue by using existing infrastructure more efficiency. Additionally, most detached condominium communities maintain private ownership of streets within the community thus allowing the city to capture future savings from not having to pay for the community roadway maintenance.

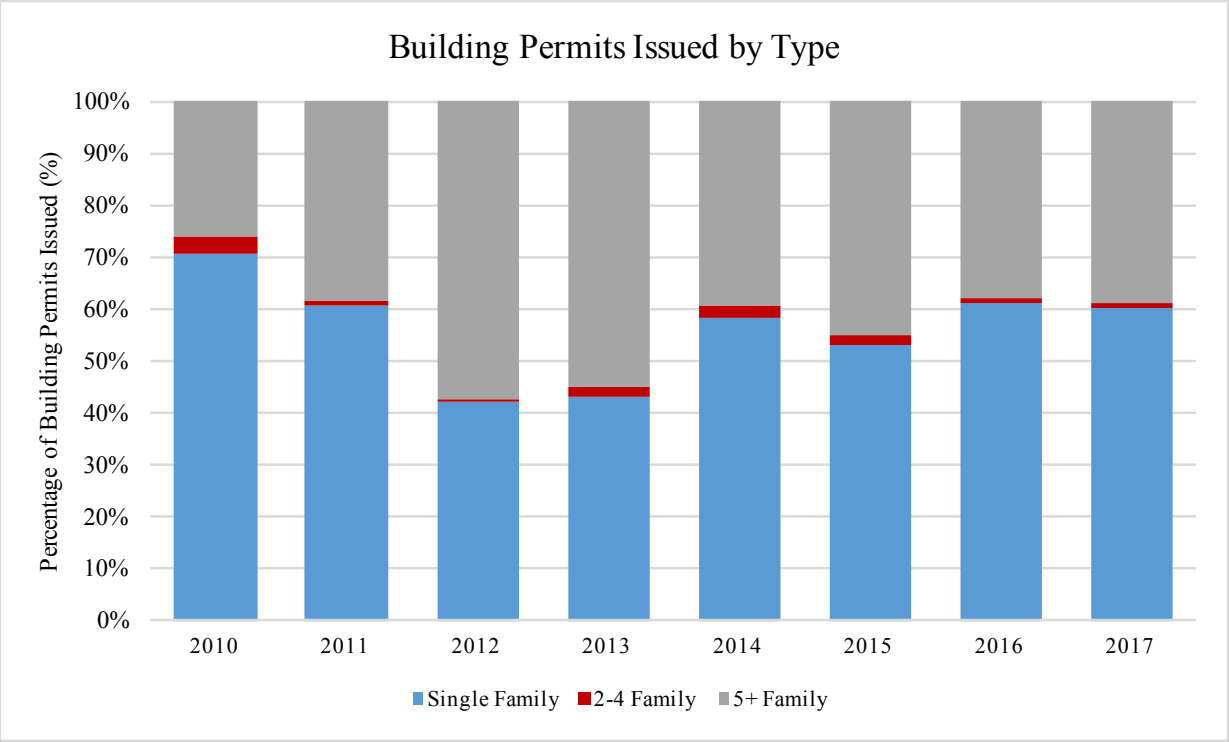
Missing Middle Housing

The term "Missing Middle" housing was coined by Daniel Parolek, the founder of the Berkeley, California based urban design firm, Opticos Design. The concept was developed to describe the variety housing products whose unit densities per land area lie between detached single-family homes and mid-rise residential buildings. The following excerpt from the website of the Congress for the New Urbanism appropriately articulates the major details of the concept.

> Missing Middle is a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living. These types provide diverse housing options along a spectrum of affordability, including duplexes, fourplexes, and bungalow courts, to support walkable communities, locally-serving retail, and public transportation options (Congress for the New Urbanism).

Building permit data provided by the Texas A&M University Real Estate Center illustrates the lack of "Missing Middle" housing in the Austin region. By analyzing the building permit data for the Austin MSA, it is clear that new housing produced in the Austin region is mostly single-family residential and multifamily residential with more than five units. In this case, multifamily buildings generally tend to be traditional garden, mid-rise, or high-rise apartment buildings, and not "Missing Middle" type complexes. Figure (2) illustrates the distribution of building permits by type between 2010 and 2017.

Figure (2): Building Permits Issued by Type in the Austin MSA



Source: Texas A&M Real Estate Center, Building Permit Data for Austin-Round Rock, TX, May 2018

As represented in Figure (2), the number of building permits issued for buildings containing between two to four residential units is very small. From 2010 to 2017, the percentage of building permits issued for buildings containing two to four residential units has fluctuated between 0.57% of permits issued in 2017 to 3.37% of permits issued in 2010. In total, from 2010 to 2017, only 2,176 (1.44%) of the 150,692 total building permits issued were for buildings with two to four residential units.

On the other hand, the number of permits issued for single-family residences is very high, exceeding 50% of permits issued in every year between 2010 and 2017, with the exception of 2012 and 2013, when multifamily development was exceptionally strong. Over the entire period, 54.94% of the total permits issued (150,692) were for single-family residences and 43.62% were for multifamily buildings with five or more units. This stratification illustrates the "Missing

Middle" issue in Austin. Most of the product that has been delivered has either been single-family or in a large multifamily building. There have been very few duplexes, townhomes, and fourplexes delivered which would be considered "Missing Middle" housing.

In the City of Austin, the lack of "Missing Middle" housing is a current issue of concern because the housing types that fall into this category are likely to be more affordable than traditional single-family homes. In the whitepaper titled *Missing Middle Housing in Austin, Texas* published by the Austin Community Design and Development Center (ACDDC), three key barriers are identified as preventing the development of "Missing Middle" housing. The following barriers include the lengthened site plan review process, minimum lot size and site requirements, and compatibility[4].

Of the three identified barriers, detached condominiums suffer the least from minimum lot size and site requirements because their zoning allows for reduced site area requirements. However, even detached condominiums cannot achieve the density that this white paper suggests. While detached condominiums are allowed to be built on a smaller site area (3,600 square feet), they are still single-family in nature. This is the distinct difference between detached condominiums and "Missing Middle" housing. While slightly different in context, detached condominiums are a hybrid housing product which exhibit some but not all of the characteristics of "Missing Middle" housing types.

[4] Compatibility refers to the additional regulations placed on certain parcels of land that are adjacent to existing buildings with different zoning designations. The additional regulations can include building setbacks, height limits, and minimum parking requirements, etc.

SECTION III: EXAMPLES OF DETACHED CONDOMINIUM COMMUNITIES IN AUSTIN, TEXAS

CITY OF AUSTIN ZONING DISTRICTS

Detached condominium communities are permitted to be developed in three single-family residential zoning districts within the City of Austin. Zoning districts SF-4B (Single-Family Residence Condominium Site), SF-5 (Urban Family Residence), and SF-6 (Townhome & Condominium Residence) allow for detached condominium communities to be developed. These zones generally allow for units to be built with a minimum site area requirement of 3,600 square feet. In contrast, zoning districts SF-1 (Single-Family Residence – Large Lot), SF-2 (Single-Family Residence – Standard Lot), and SF-3 (Family Residence) have significantly larger parcel size requirements ranging from 5,750 square feet to 10,000 square feet.

In addition to the three single-family zoning districts listed above, detached condominium communities can also be developed in multifamily residential districts. Zoning districts MF-1 to MF-6 allow for detached condominiums, but also possess other development entitlements such as greater maximum height limits and larger maximum impervious cover limits. Because of the greater development entitlements, detached condominiums would rarely be the "highest and best use" of the land. Thus, detached condominium communities are likely to be infeasible to develop in multifamily zoning districts. Therefore, the following sections will cover the suitable single-family zoning districts and what makes them unique.

Zoning District SF-4B (Single-Family Residence Condominium Site)

The most restrictive zoning district that allows for the development of detached condominium communities is zoning district SF-4B (Single-Family Residence Condominium Site). The language present in the Austin Zoning Guide states that this district is "intended for

moderate density single-family residential use on a site surrounded by existing structures, most of which are single-family residences." The SF-4B zoning district has a minimum total site area requirement of one acre and a maximum total site area of five acres. Given the restrictive total site area requirement, this district is clearly designed for "urban infill" developments, which are providing denser housing options closer to the urban core of the city. As such, the large-scale detached condominium communities would not be suitable within the SF-4B district.

Zoning District SF-5 (Urban Family Residence) and Zoning District SF-6 (Townhome & Condominium Residence)

Detached condominium communities are best suited to be developed in zoning districts SF-5 and SF-6. Unlike SF-4B, these districts do not have a minimum or maximum total land area requirement. This means that parcels of land zoned as SF-5 and SF-6 can be larger than five acres. This is beneficial in suburban areas where large tracts of land are zoned as SF-5 or SF-6, allowing a developer to produce small-lot, or detached condominium communities. Similar to zoning district SF-4B, the SF-5 and SF-6 zoning districts allow for residential condominium use with a minimum unit site area requirement of 3,600 square feet.

MARKET AREA DEFINITION

This report focuses on the market area that can best be described as the South Austin Market Area located within the Austin MSA. The boundaries of this market area stretch from Ben White Boulevard (State Highway 71) on the north, Mopac Expressway (Loop 1) on the west, Interstate Highway 35 on the east, and FM 1626 on the south. This area of Austin is unique because there is enormous development pressure combined with rising home sales prices and a diminishing amount of vacant land available for development.

INVENTORY OF DETACHED CONDOMINIUMS

As of the fourth quarter of 2017, there were 20 detached condominium communities identified in the South Austin market area. Six of the 20 communities have units under construction and fourteen are completed and "sold out," with no remaining inventory for-sale by the developer. At buildout, the 20 communities will contain approximately 1,810 detached condominium units. As of the fourth quarter of 2017, 1,479 of the 1,810 detached condominium units have been completed and 331 units are planned or under construction.

Location of Communities

In the South Austin market area, there are four major streets (Congress Avenue, South First Street, Manchaca Road, and Brodie Lane) running north and south, and three major streets (Slaughter Lane, William Cannon Drive, and Stassney Lane) running east and west. Fourteen of the twenty communities have direct access to at least one of these roads. These communities range in size from 25 detached units (Lynnbrook Village) to 255 detached units (Searight Village). A full inventory, including the location of the identified detached condominium communities is presented in Table (4) on the following page. Additionally, the map on page 36 labeled "Location of Detached Condominiums" shows the approximate location of the communities within the South Austin market area.

Table (4): Detached Condominium Sales Activity in the South Austin Market Area

Detached Condominium Sales Activity

South Austin

Project	Address	Year of Completion*	Planned Units	Completed Units	Sales (including presales)	% Sold
Brentwood Villas*	9116 Golden Leaf Drive	*2017*	83	4	13	15.7%
Brookside Villas	411 W. St. Elmo Rd.	*2005*	44	44	44	100.0%
Cannon Ridge Homes	6715 Windrift Way	*2012*	32	32	32	100.0%
Creekside	5616 S. 1st St.	*2015*	45	45	45	100.0%
Enclave on Cooper	7405 Cooper Ln.	*2016*	65	65	65	100.0%
Gabardine	2500 Frate Barker Rd.	*2016*	144	144	144	100.0%
Independence Park	Independence Dr.	*2012*	233	233	233	100.0%
Lynnbrook Village	2312 Lynnbrook Dr.	*2016*	25	25	25	100.0%
North Bluff Homes*	813 North Bluff Dr.	*2018*	66	0	14	21.2%
Sage Meadow	Sugarberry Ln.	*2013*	162	162	162	100.0%
Searight Village*	915 W. Slaughter Ln.	*2015*	255	192	201	78.8%
SoMa Village*	6800 Manchaca Rd.	*2018*	46	0	2	4.3%
Southbridge Villas I	7233 Manchaca Rd.	*2014*	38	38	38	100.0%
Southbridge Villas II	7337 Manchaca Rd.	*2014*	39	39	39	100.0%
Stassney Lane Condos	1601 W. Stassney Ln.	*2015*	114	114	114	100.0%
Stinson Oaks	7709 Manchaca Rd.	*2014*	36	36	36	100.0%
Sweetbriar	301 W. Stassney Ln.	*2015*	35	35	35	100.0%
Sweetwater Glen	Redwater Dr.	*2011*	250	250	250	100.0%
Verrado*	8101 Peaceful Hill Ln.	*2017*	60	0	10	16.7%
West Oak*	1903 Cecilia Ln.	*2017*	38	21	36	94.7%
	Total/Averages		1,810	1,479	1,538	85.0%

Source: Travis County Appraisal District, Travis County Deed Records

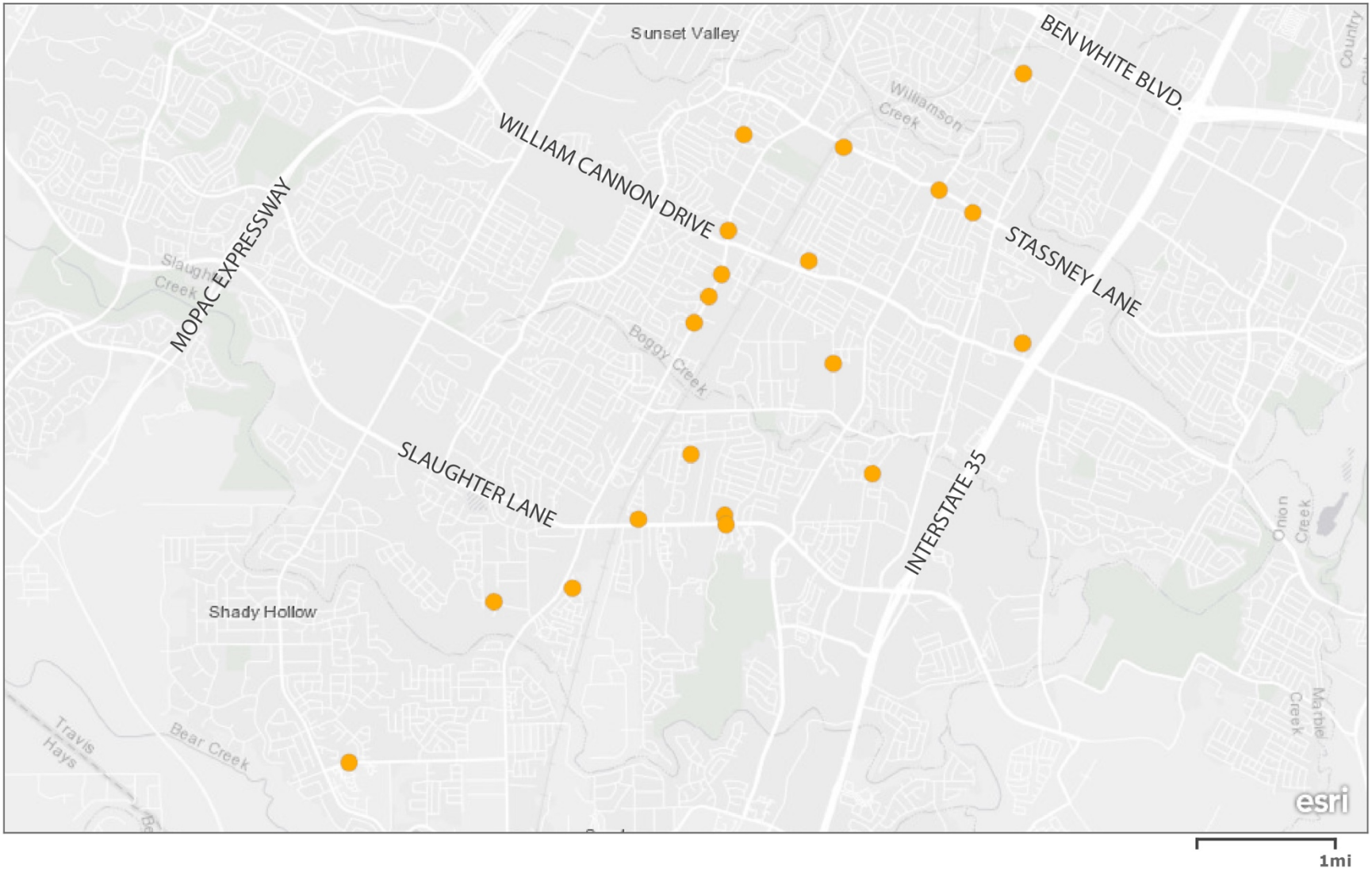
Data compiled by Capitol Market Research, September 2017

Notes: SoMa Village includes a mix of detached condominums and attached condominiums

YOC indicates year of completion, unless project is under construction in which it indicates the year the project broke ground

*Indicates project is under construction

Location of Detached Condominiums



Esri, HERE, Garmin, NGA, USGS | Esri, HERE

SEARIGHT VILLAGE CASE STUDY

Background Information

Searight Village is a detached condominium community located at the intersection of West Slaughter Lane and Talley Lane in Austin, Texas. According to my research, it is the largest (by total number of units) community of detached condominiums in the South Austin market area. At buildout, the community will contain 255 detached condominium units on 35.08 acres of land.

The community is wholly located within Travis County and the City of Austin. The condominiums are subject to the following taxable jurisdictions: Austin Independent School District, City of Austin, Travis County, Travis Central Appraisal District, Travis County Healthcare District, and the Austin Community College District. The parcel of land is zoned SF-6-CO (Townhome & Condominium Residence), which allows for the development of detached condominiums.

The homebuilders present in the community are MileStone Community Builders and Pulte Homes. As of Spring 2018, MileStone Community Builders is the only builder still active in the neighborhood. MileStone Community Builders is the largest privately held homebuilder[5] in Central Texas and is headquartered in Austin.

Sales Price Information and Floorplans

In Spring 2018, Milestone Community Builders offered eight individual floorplans in Searight Village. The eight floorplans range in size from 1,272 square feet to 2,273 square feet and are available in one-story and two-story configurations. The most affordable new home option in the community is The Seaholm floorplan which offers 1,272 square feet of living space in a three-

[5] Source: Milestone Community Builders (https://www.mymilestone.com/why-milestone/more-about-milestone)

bedroom, two-bathroom configuration, and includes a two-car garage. The price for the Seaholm option starts at $264,990 ($208 per square foot) and can vary slightly depending on the number of "upgrades" selected. The most expensive option available in the community is The Benson floorplan which offers 2,185 square feet of living space in a four-bedroom, three-bathroom configuration, and includes a two-car garage. The Benson floorplan starts at $319,990, or approximately $146 per square foot.

Architecture and Aesthetics

Illustration (7) on page 46 shows the first completed and most mature phase of the Searight Village community. As shown in the image, most of the homes are two-story and are built with a combination of brick and wood siding. The architecture and design for these homes appears uninspired, with elevations repeated to create similar looking homes. However, homes in the newer phases of the community, as pictured in Illustration (2) and Illustration (3) appear to have more variation in construction material, color, and design.

In terms of vegetation, the community lacks mature trees on residential home sites. However, the community has mature trees concentrated in community parklets, as shown in Illustration (9). One interesting note is that the community lacks extensive landscaping as one would find in a traditional condominium community. This ensures that the community feels much more like a traditional single-family home subdivision, although the roads within the community are technically private.

Community Infrastructure and Physical Planning Characteristics

One of the most striking details of this community is the lack of vehicles parallel parked alongside the streets. Instead, there are raised curbs painted red with the words "Fire Lane Tow Away Zone." This prevents guests or homeowners from parking directly in front of the houses,

unless the vehicle is parked in the garage or the in the driveway. In order to accommodate for guest parking, there are clustered parking areas in selected areas of the community. Illustration (5) represents a typical clustered parking area within the community.

The community is very compact. Driveways and front yard are about the length of a standard "full size" vehicle. Additionally, because the community is site-planned, there are units which have no private backyards and have walls within feet from the roadway.

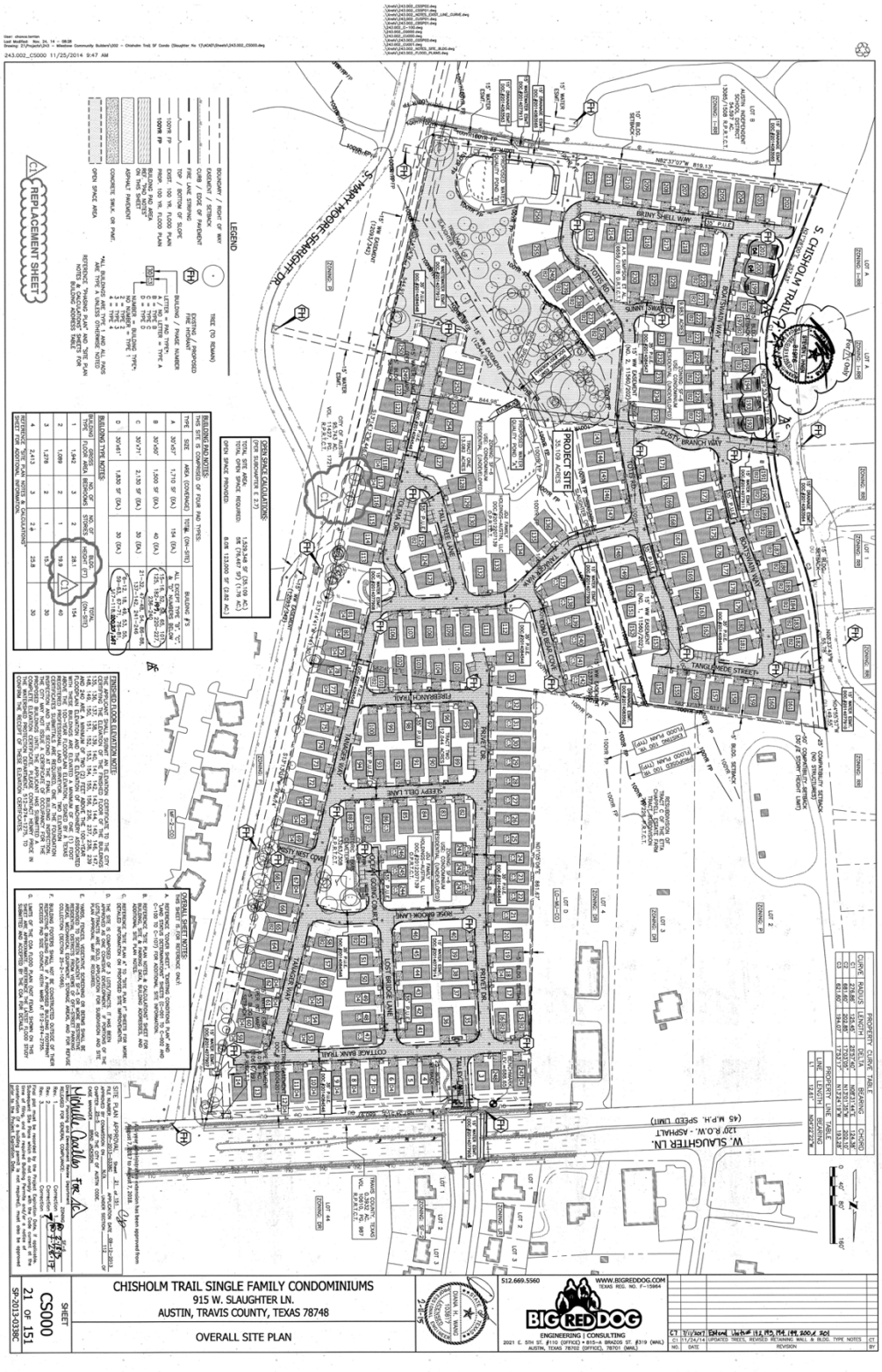
Connectivity

The Searight Village community has one entrance located on Slaughter Lane, a heavily traveled major road which connects to Interstate Highway 35 to the east and Mopac Expressway to the west. There is one additional roadway connected to Chisholm Trail Lane on the western edge of the community, but at the time of the site visit it was gated off and closed to traffic. If the community continues to operate with one entrance, it could be bothersome for people near the back of the subdivision.

Additionally, it terms of public transportation, the nearest Capitol Metro bus station is located on Slaughter Lane at the entrance to the community. This would be a half mile walk for someone who lives near the back of the community.

The images on the following pages show the current conditions of the community.

Illustration (1): City of Austin Site Plan for Searight Village[6]



[6] Source: City of Austin Development Services Department, Big Red Dog Engineering | Consulting

Illustration (2): Searight Village – Typical Completed Homesites

Illustration (3): Searight Village – Newly Completed Units

Illustration (4): Searight Village – Completed Units

Illustration (5): Searight Village – Clusterd Off-Street Guest Parking Spaces

Illustration (6): Searight Village – Guest Parking and Bicycle Rack

Illustration (7): Searight Village – Typical Street Width Marked with Fire Lane

Illustration (8): Searight Village – Terminal Road Abutting Vacant Land

Illustration (9): Searight Village – Gated Dog Park and Mature Trees

BRENTWOOD VILLAS CASE STUDY

Background Information

Brentwood Villas is a detached condominium community located at the intersection of West Slaughter Lane and Golden Leaf Drive in Austin. The community is located just northeast of the previous case study (Searight Village), and is currently (as of summer 2018) under construction. At buildout, the community will contain 83 detached condominium units on 15.95 acres of land.

The 15.95-acre community is wholly located within Travis County and the City of Austin. The condominiums are subject to the following taxable jurisdictions: Austin Independent School District, City of Austin, Travis County, Travis Central Appraisal District, Travis County Healthcare District, and the Austin Community College District.

The parcel of land is zoned SF-6 (Townhome & Condominium Residence), which allows for the development of detached condominiums. The only homebuilder in the community is KB Home, a national production homebuilder headquartered in Los Angeles.

Sales Price Information and Floorplans

In Spring 2018, KB Homes offered twelve unique floorplans in the Brentwood Villas community. They range in size from 1,340 square feet to 2,708 square feet and are available in single-story and two-story configurations. The most affordable new home option in the community is floorplan F-1340 which offers 1,340 square feet of living space in a three or four-bedroom, two-bathroom configuration, and includes a two-car garage. The price for the F-1340 option starts at $271,995 ($203 per square foot) and can vary slightly depending on the number of “upgrades” selected. The most expensive option available in the community is the F-2708 floorplan which offers 2,708 square feet of living space in a four, five, or six-bedroom, three-

bathroom configuration, and includes a two-car garage. The F-2708 option starts at $315,995, or approximately $117 per square foot.

Architecture and Aesthetics

Similar to the last case study, homes in this community have a distinct and consistent style which makes them look very similar to each other. Illustration (11) on page 53 shows the typical "craftsman" style homes found in the community. Most of the homes are two-stories, and all of the homes contain two-car garages. Additionally, the front yard of each home is quite small, and mostly made up of a driveway capable of storing two standard sized vehicles.

Community Infrastructure and Physical Planning Characteristics

Similar to the previous case study, Brentwood Villas has narrow privately maintained streets. They are marked as "fire lanes," prohibiting vehicles from parking alongside the community's streets. Instead, the community also has clustered parking areas where guests are expected to park. The locations of these parking areas can be seen in the site plan in Illustration (10).

The community also contains one park and three parklets. The park shown in Illustration (13) contains mature trees, trails, and picnic tables. The most interesting detail in this photo is the sign reading "PRIVATE PARK." This sign is a visible reminder, that despite being an "ungated" community with direct connections to existing neighborhoods, the park land is privately owned by the homeowner's association.

The layout of the community is efficient, using traditional rectangular home sites that are deeper than they are wide. Additionally, the community has 165,102 square feet of building coverage and 340,294 square feet of total impervious cover. This means the community has 23.8% building coverage, and 50.1% impervious cover. According to the SF-6 zoning code, the

community can have a maximum building coverage of 40% and a maximum impervious coverage of 55%.

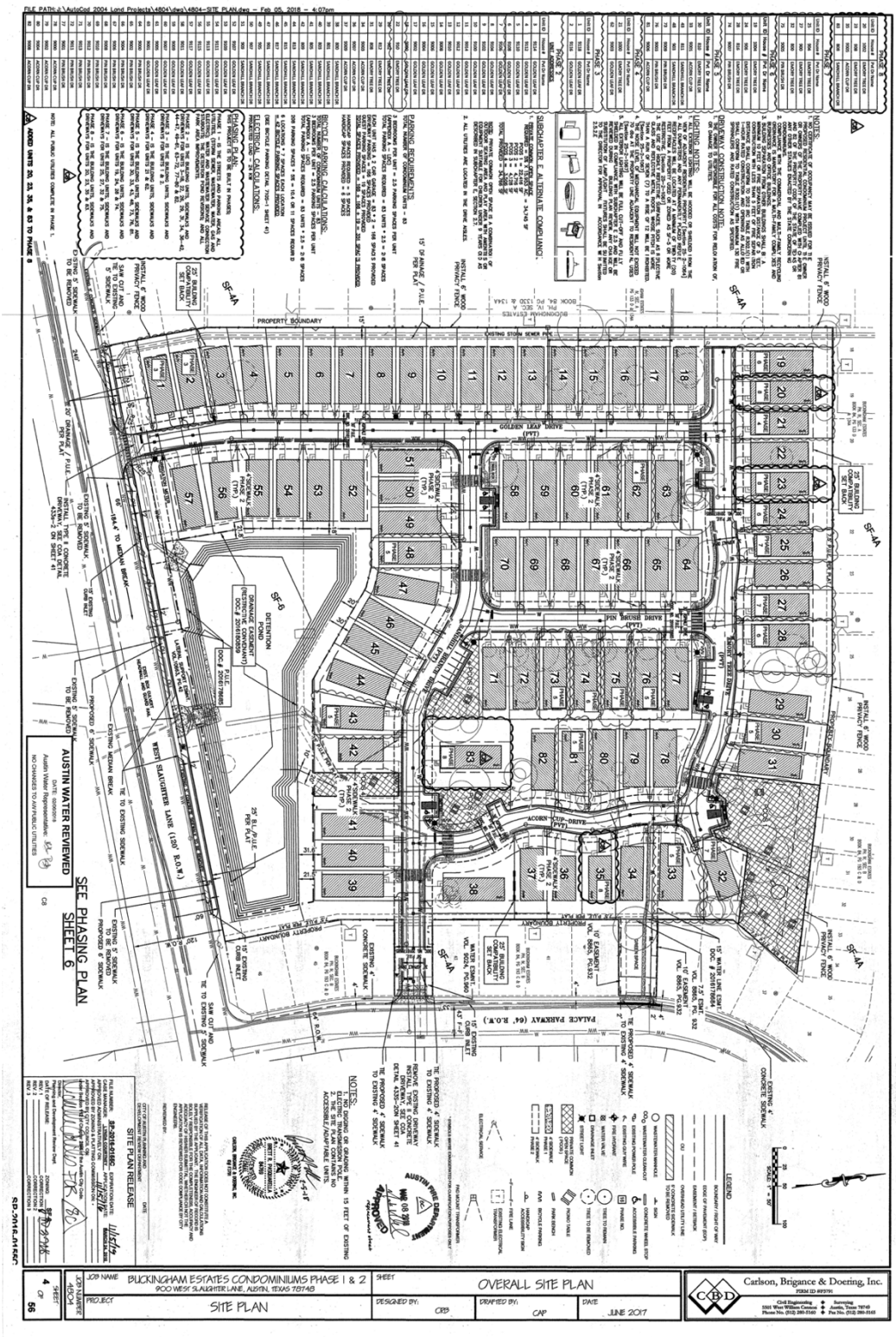
Connectivity

Brentwood Villas has two entrances to the community. Similar to the last case study, the main entrance is located on Slaughter Lane. The second entrance is located on Palace Parkway, an existing neighborhood street. This entrance connects the community to the existing neighborhood which consists of traditional single-family homes. Additionally, the back portion of the community has a sidewalk path in between two homes allowing pedestrian access to Palace Parkway. Overall, the community does a good job connecting to the existing urban fabric. A possible manner to improve connectivity would be to add linkages to the north and east edges of the community.

The community also has convenient access to Capitol Metro bus services. The two closest stops are located on the north side of Slaughter Lane, which are within walking distance.

The images on the following pages show the current conditions of the community.

Illustration (10): City of Austin Site Plan for Brentwood Villas[7]



[7] Source: City of Austin Development Services Department, Carlson, Brigance & Doering, Inc.

Illustration (11): Brentwood Villas – Typical Completed Units

Illustration (12): Brentwood Villas – Guest Parking Spaces and “Rolled Curbs”

Illustration (13): Brentwood Villas – Private Community Park with Mature Trees

Illustration (14): Brentwood Villas – Bicycle Rack Parking and Landscaping

Illustration (15): Brentwood Villas – Small Pocket Park and Market Fire Lanes

SECTION IV: FINANCIAL ANALYSIS

MORTGAGE AFFORDABILITY

The Median Family Income (MFI) for the Austin MSA reached $86,000 in 2018 (Department of Housing and Urban Development). Additionally, HUD has calculated Fair Market Rent[8] for housing units within the MSA, which for 2018 are $1,679 per month for a three-bedroom unit and $2,018 for a four-bedroom unit. For each additional bedroom, a 15% premium is added to the fair market rent (HUD). Using this data as a starting point, the following analysis compares the numbers established by HUD to the estimated mortgage costs for new homes in the communities presented in Section III.

Tables (5) and (6) on the following pages show the estimated mortgage payments for purchasing a new home within the Searight Village and Brentwood Villas detached condominium communities in South Austin. The payments are calculated by floorplan based on the starting price for the home. The calculations assume that the homebuyer will contribute a 20% down payment and select a 30-year fixed interest rate mortgage. The calculation also assumes a 4.81% interest rate which was pulled from Wells Fargo's website in August 2018. In addition, the monthly payment includes estimated monthly property tax liability based on the Travis Central Appraisal District online calculator. The taxable value is assumed to be the sales price.

The total monthly payment for a new home within the Searight Village community is estimated to fall between $1,548 per month and $1,875 per month. In the Brentwood Villas Neighborhood, the monthly mortgage payment is estimated to fall between $1,589 per month and $1,851 per month. These payments require annual incomes ranging from $61,931 per year to

[8] Source: United States Department of Housing and Urban Development (https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2018_code/2018summary.odn)

$74,996 per year. The calculated incomes are based on the monthly mortgage and tax payment accounting for 30% of the monthly gross (pre-tax) income.

The calculated amounts show that monthly mortgage payments are within the range of fair market rent established by HUD. They also show that the required incomes fall below the average Median Family Income for the Austin area. Additionally, with the average home sales price for the Austin MSA reaching $366,717 in 2017, these two communities have average sales prices which are lower than the MSA average ($295,768 and $292,745). Furthermore, the average sales price at Brentwood Villas ($292,745) falls just below the median MSA average sales price of $295,000 (2017), while the average sales price at Searight Village ($295,768) is just above the median mark.

Table (5): Estimated Mortgage Calculations for Searight Village

Estimated Mortgage Calculations
Searight Village

Floorplan	Square Footage	Starting Sales Price	Mortgage Amount	Estimated Monthly Mortage Amount	Estimated Monthly Property Tax Liability	Total Mortgage and Property Tax Payment (Month)	Yearly Income Required
The Seaholm	1,272	$264,990	$211,992	$1,114	$435	$1,548	$61,931
The Seaholm Metro	1,272	$269,990	$215,992	$1,135	$443	$1,578	$63,118
The San Jacinto	1,637	$280,990	$224,792	$1,181	$463	$1,643	$65,731
The San Bernard	1,937	$295,990	$236,792	$1,244	$489	$1,732	$69,295
The Guadalupe	1,888	$297,990	$238,392	$1,252	$492	$1,744	$69,768
The Garriott	1,898	$306,990	$245,592	$1,290	$508	$1,798	$71,908
The Lamar	2,273	$309,990	$247,992	$1,303	$513	$1,815	$72,618
The Lambert	2,023	$314,990	$251,992	$1,324	$522	$1,845	$73,809
The Benson	2,185	$319,990	$255,992	$1,345	$530	$1,875	$74,996

Source: Pricing Information, Milestone Community Builders

Note: Mortgage amount based on 30-year fixed mortgage at 4.81% interest rate with 20% down payment

Property tax estimated based on sales price and tax calculator from Travis Central Appraisal District (includes homestead exemption)

Yearly income required based on a 30% cap on housing costs (mortgage and taxes)

Table (6): Estimated Mortgage Calculations for Brentwood Villas

Estimated Mortgage Calculations
Brentwood Villas

Floorplan	Square Footage	Starting Sales Price	Mortgage Amount	Estimated Monthly Mortage Amount	Estimated Monthly Property Tax Liability	Total Mortgage and Property Tax Payment (Month)	Yearly Income Required
F-1340	1,340	$271,995	$217,596	$1,143	$447	$1,590	$63,595
F-1353	1,353	$272,995	$218,396	$1,147	$449	$1,596	$63,833
F-1601	1,601	$277,995	$222,396	$1,168	$457	$1,626	$65,021
F-1771	1,771	$283,995	$227,196	$1,193	$468	$1,661	$66,446
F-1585	1,585	$284,995	$227,996	$1,198	$470	$1,667	$66,684
F-1909	1,909	$287,995	$230,396	$1,210	$475	$1,685	$67,395
F-2038	2,038	$290,995	$232,796	$1,223	$480	$1,703	$68,109
F-1340	2,239	$297,995	$238,396	$1,252	$492	$1,744	$69,772
F-2411	2,411	$305,995	$244,796	$1,286	$506	$1,792	$71,670
F-2495	2,495	$307,995	$246,396	$1,294	$509	$1,804	$72,146
F-2604	2,604	$313,995	$251,196	$1,319	$520	$1,839	$73,572
F-2708	2,708	$315,995	$252,796	$1,328	$523	$1,851	$74,048

Source: Pricing Information, KB Home

Note: Mortgage amount based on 30-year fixed mortgage at 4.81% interest rate with 20% down payment

Property tax estimated based on sales price and tax calculator from Travis Central Appraisal District (includes homestead exemption)

Yearly income required based on a 30% cap on housing costs (mortgage and taxes)

SECTION V: IMPRESSIONS / CONCLUSION

ADVANTAGES OF DETACHED CONDOMINIUMS

1. The detached condominium product type is producing denser communities in typically sprawling suburban areas. Encouraging density is typically viewed as a responsible urban planning technique.
2. Detached condominiums provide a similar housing product to a traditional single-family home. The single-family home is still a dominant housing product in most American cities, including Austin.
3. Existing infrastructure is used more efficiently. The compact development pattern limits the need for extending infrastructure systems. Additionally, roadways are privately maintained and narrower than public streets.

DISADVANTAGES OF DETACHED CONDOMINIUMS

1. Communities can be disconnected from the existing urban fabric. This can make using public transportation more difficult.
2. Land use is not overwhelmingly progressive. The communities are still relatively sprawling compared to multifamily product.

AREAS FOR FURTHER EXAMINATION AND RESEARCH

The purpose of this report is to inform readers of the detached condominium development type. Given the limited amount of information and research on this subject, there are multiple questions that come to mind for research further. One such research objective would be to assess the fees associated with structuring a condominium regime, and factor that into the cost of land. The second area for further research would be to conduct substantial financial models to assess how this development type differs from traditional single-family development.

IMPRESSIONS AND RECOMMENDATIONS

Suggestions for Developing Detached Condominiums

The two communities presented in the case study section prove that detached condominium regimes are working to produce denser communities in suburban areas. Additionally, these communities provide spacious, family-friendly housing within a reasonable commute from job centers at a price affordable to median income earning households. Given the positive benefits this development type provides; I will offer several suggestions to improve detached condominium communities in Austin.

The first suggestion is to reduce the minimum site area requirement for each unit. As of right, detached condominiums can be built on a site area of 3,600 square feet per unit. If that number is reduced, more units can be built on the site, or the developer may choose to provide additional common space. Additional parks and trails would improve walkability within the community and offer recreational space for residents.

The second suggestion is to modify additional site development standards including maximum impervious coverage and maximum building coverage. By increasing the maximum impervious coverage from to 55% to 60% and the maximum building coverage from 40% to 50%, a developer can produce a denser community with more housing units. These higher percentages would be comparable to the lower density multifamily zoning districts and produce denser communities without a significant change in physical character.

Another change that could improve detached condominium communities is through mandating more entry points into the developments. As I experienced at Searight Village, a community having only one entrance can make it difficult to navigate through. This is especially true for sites that are deep and rectangular in shape. By requiring more than one entry point, communities with a large amount of units will be more integrated into the existing urban fabric.

Additionally, developers of detached condominium communities should be more creative in the physical planning of these communities. This can include experimenting with smaller setbacks, building a mix of detached and attached housing units, and providing a larger amount of green spaces. As shown in the case study section, typical detached condominium communities adhere to many traditional subdivision design principals. By deviating from this model, developers have the opportunity to create a more interesting, and perhaps innovative built environment.

Considerations for Future Zoning Modifications

Detached condominium communities can only be built in a limited number of residential zoning districts within the City of Austin. Given that a large part of Central Austin is zoned SF-2 and SF-3, the detached condominium product type is prohibited from being developed in many Central Austin neighborhoods. If the City of Austin has aspirations to become more "Compact and Connected," expanding SF-4, SF-5, and SF-6 zoning districts would facilitate that objective. It allows density to be produced in a manner that is compatible to existing neighborhoods, with lower entitlements than multifamily zoning.

The Sub-$300,000 House in Austin

While Austin is confronting a serious "affordable" housing problem, the detached condominium communities reviewed in the previous case studies offer new homes below the Austin area average home sales price of $366,717 (2017). Not only are these homes new construction, but they are built by reputable homebuilders, and located less than ten miles from Downtown Austin. Additionally, the mortgages on these homes make them attainable for families with an income near the Austin Median Family Income.

A Step in the Right Direction

To the untrained eye, detached condominium communities may appear identical to traditional single-family home subdivisions. While there are many similarities, I believe the development type is a step in the right direction to make Austin more "compact and connected," a goal of the Imagine Austin comprehensive plan.

The lower minimum site area requirements versus traditional single-family zoning allows for denser residential development, and for land costs to be spread out over more units. This makes the development feasible for developers, and slightly curtails rising home prices for the homebuyer. Additionally, the city benefits by encouraging development that uses infrastructure more efficiently. In short, while detached condominiums aren't overwhelmingly transformative versus traditional single-family home subdivisions, they offer substantial benefits to multiple stakeholders including real estate developers, potential homebuyers, and municipalities.

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Vita

Jose Arturo Valenzuela was born in Austin, Texas. After completing his work at W. Charles Akins High School, Austin, Texas in 2010, he enrolled at The University of Texas at Austin. In May of 2014, he received the degree of Bachelor of Arts in Urban Studies from The University of Texas at Austin – College of Liberal Arts. Directly following the completion of his undergraduate degree, he was employed as a market research analyst at Capitol Market Research in Austin. In August, 2016, he enrolled in the Community and Regional Planning program housed in the University of Texas School of Architecture. During his time in graduate school, he focused on exploring issues related to urban planning and real estate development.

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